



STATE OF WASHINGTON
DEPARTMENT OF LABOR AND INDUSTRIES

Retrospective Rating Program
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DATE: April 5, 2005
TO: Retro Advisory Committee
FROM: Frank Romero (Chair), Retro Program Manager
SUBJECT: Minutes of January 11, 2005, committee meeting

Meeting was called to order at 1:05 pm by assistant director **Robert Malooly**, serving as acting chair (Frank Romero was unable to attend). Introductions were made around the room, beginning with the committee, then followed by audience members.

It was moved, seconded and **carried** to accept the minutes of the previous meeting as published.

ORCA Project Update – *Kate Cashman & Linda Hart (Client Managers)* gave a brief report on the Online Reporting & Claim Accessibility (ORCA) Project. Several audience members indicated they were already participating in the project. Some of the goals of the project included: user-centered design, thorough testing by customers, and ease of use. Customers will be able to access information via the world wide web interface any time (24/7). In February, digital certificates will no longer be needed to access workers' comp information, as was required under the "old" Workers' Comp File Information (WCFI) system. In addition to information available to other ORCA users, retro groups will also have access to their member lists, adjustment reports, and monthly/quarterly reports. Online forms will be available in late Spring 2005. **LUCI** (Look Up Claims Information) will be replacing the agency's current imaging system, which has become obsolete and costly to maintain; there is small pilot project currently underway. If funding is approved for the next biennium, the system will be expanded agency-wide, as well as to external customers, used a web-based interface. The agency anticipates that customer requests for microfiche will be reduced significantly once this occurs; however, confidential claims (STD, blood-borne pathogen exposure, etc) will not be accessible to external customers. Catherine McDonald is project manager, and the stakeholder group is facilitated by Kris Masten.

WISHA Prevention Services – *Ernesto Carcamo (Training & Outreach Consultant)* gave a brief presentation to the committee on the prevention and consultation services available from the department. Their goal is to respond within 48 hours after an employer calls for assistance. He provided a handout, "The Best Way To Manage a Claim is to Not Have One" including

information on how the hidden costs of a claim can affect your business (see attached). An accident prevention brochure was also available, listing regional contact numbers for agency consultants throughout the state (see attached).

Actuaries' Corner – *Bill Vasek (Senior Actuary)* discussed loss development factors (LDF) and performance adjustment factors (PAF); he provided charts and sample calculations, and explained the relationship between the PAF and rate adequacy (see handout attached). They use a four-quarter weighted average. The PAF depends on the target refund for the coverage period in question, when relative performance is compared between retro and non-retro employers. Duration of time-loss claims is one of the factors that affects the percentage of premium refunded. (See attached.)

Accounts Receivable & Collections (ARC) Project – *Paula Kerr (Program Manager)* described the upcoming implementation of the ARC system at L&I. It will consolidate fourteen of 16 “debt streams” for the agency. Collection workload will be distributed amongst regional staff for action according to debtors’ zip codes; in addition, all debts owed the agency by an employer will now be combined in one work process under ARC. This allows the legal process to be standardized across the agency (collections program is now part of the recently created Fraud Prevention & Compliance section).

Retro Rules Changes – *Bob Malooly (Assistant Director for Insurance Services)*, acting chair, explained that L&I is considering possible changes to the Washington Administrative Code (WAC rules) governing the retrospective rating program. The department does not have any specific changes in mind, but would appreciate comments and feedback from the retro community on what they feel needs to be updated; there will be an informal public meeting on Friday, February 11, 2005, to accept comments from the public.

Adjournment – The meeting was adjourned at 3:45 PM.

Attachment(s):

Training & Outreach Presentation
Accident Prevention Brochure
LDF & PAF Overview

Next Meeting: Tuesday, April 12, 2005